

TO The Owners, Strata Plan LMS2833
c/o Jean-Pierre Daem
Strataco Management Ltd.
101 - 4126 Norland Ave.
Burnaby BC V5G 3S8
EMAIL managers@stratacomgmt.com

**3941.10 – Trinity Place
Balcony & Deck Renewal and
Localized Rehabilitation**

December 17, 2010

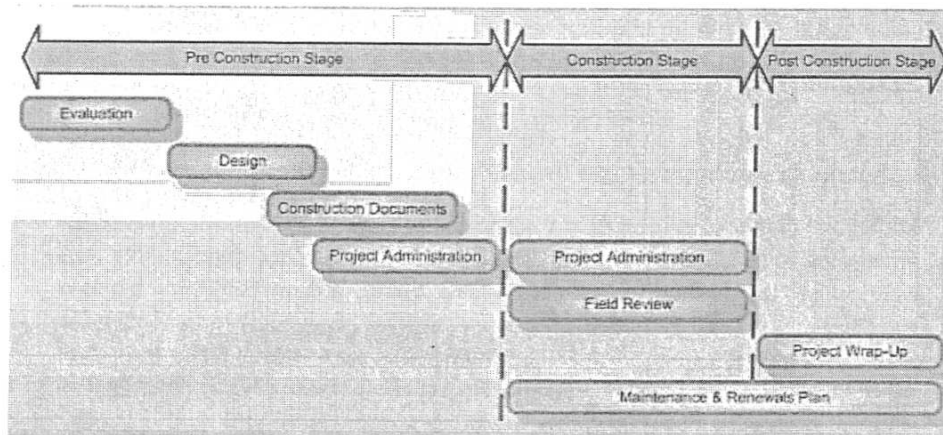
REGARDING **Proposal for Engineering Services**

Dear Mr. Daem,

As requested by The Owners, Strata Plan LMS2833, RDH Building Engineering Ltd. (RDH) is pleased to provide you a proposal for engineering services related to the targeted wall rehabilitation and balcony & deck renewal program for Trinity Place, located at 2490 West 2nd Ave, Vancouver, BC.

Background

For the purposes of this proposal, it has been assumed that the building enclosure rehabilitation program will be based on the condition assessment report prepared by RDH Building Engineering Ltd., and dated November 17, 2010. The figure below illustrates the typical stages and phases for a building enclosure rehabilitation project. Now that the condition assessment report has been submitted, the Evaluation Phase can be considered to be largely complete.



Project Stages and Phases

As presented in the report, and as discussed in the meeting of December 13, 2010, there are a number of other, minor items to be further investigated. The additional investigation of the bathrooms, walls below balconies & decks, windows and at-grade assembly will be

undertaken as part of the Design Phase. The Design Phase is the portion of the work that requires the greatest quantity of Owner input. Typically, various options will be presented in order to allow you to make informed choices regarding the rehabilitation and renewal program. The Design Phase is used to confirm the specifics of the program (scope, extent, details, and refine project cost estimates) and consider alternate ways of addressing existing problems. This is a key step and you will need to be fully involved in considering the benefits, risks, and costs of various approaches and phasing alternatives.

Once decisions are made, the selected design strategy is documented in greater detail in the form of drawings and specifications. These construction documents will indicate the extent and nature of the remedial work, materials to be used, etc. The drawings and specifications are used to obtain bids from pre-qualified contractors, obtain a building permit, and as the basis to carry out the rehabilitation work.

Once a contractor has been selected, usually on the basis of the lowest submitted bid, the project can move into the Construction Stage. During this stage, the rehabilitation and renewal program that has been designed by the consultant (with Owner involvement and agreement) is implemented, and construction work takes place on-site. The consultant administers the construction contract and undertakes periodic field review of construction as the work proceeds. It is also usual for the consultant to provide a maintenance and renewals plan (or update an existing plan) for the enclosure assemblies included within work upon completion of the construction.

Scope of Services

The following sections of this proposal provide you with a description of the tasks for each phase of the targeted wall rehabilitation and balcony & deck renewal project. Note that if the Owners elect to replace the main roof assembly, fees for the design phase and construction documentation may require adjustment. We have also provided a fee proposal for each phase of the project.

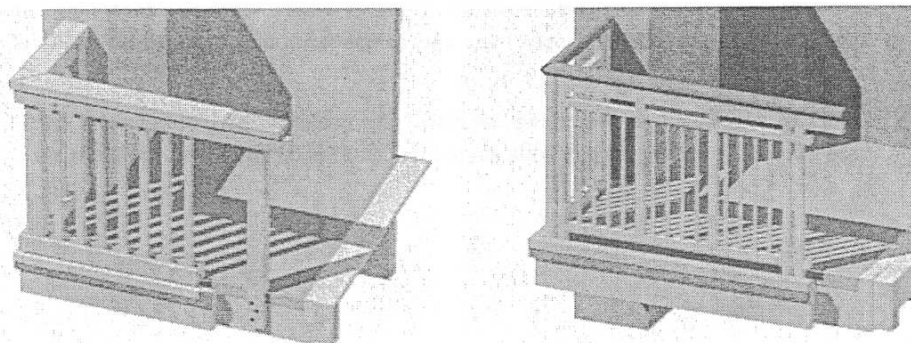
Pre-Construction Stage

Design

The following tasks are associated with the Design Phase:

1. Undertake additional investigative work to better confirm the original construction arrangements, conditions and feasibility of possible options and details. This work will include the further review of available factual information from previous investigations, as well as further on-site investigation as appropriate to confirm the earlier findings and gather additional information that may be required for the design development of a rehabilitation program. We anticipate that this further investigation work will include the following:
 - Further review of suite interiors. This will include a review of the bathtubs or shower surrounds at the east elevation

- Further review of brick clad walls below balcony and deck interfaces, from within suites.
 - Further investigation of wall sheathing condition behind EIFS window sill trim.
 - Further investigate the at-grade detailing and membrane condition.
2. Develop conceptual design alternatives based on the results previous investigative work and our additional investigative work.
 3. Work with the Strata Council and/or Building Committee to more precisely determine the extent of work required at the building enclosure assemblies, and identify logical break lines between rehabilitated and existing areas to be retained.
 4. Field check some of the building dimensions to obtain a more accurate estimate of the wall and balcony areas.
 5. Receive input from our project and construction managers regarding constructability and cost effectiveness of the proposed conceptual design. We have full time in-house construction cost estimators and project managers to facilitate this process.
 6. Review different construction implementation approaches. The work could be tendered to general contractors or directly to trade contractors. There are advantages and disadvantages to each approach, but we have assumed a general contractor approach at this stage.
 7. Prepare and refine a construction budget for conceptual design alternatives.
 8. Meet and discuss the proposed rehabilitation program with the municipality to ensure that all permit issues can be resolved.
 9. Prepare a presentation that summarizes the design alternatives and construction cost estimates. The presentation will include supportive sketches where appropriate.



Significant efforts are made during the Design Phase to explain the rehabilitation process to Owners. Graphics unique to each project help convey how the rehabilitation will affect the specific building. The graphics above illustrate an example of original and revised guardrails from another rehabilitation project.

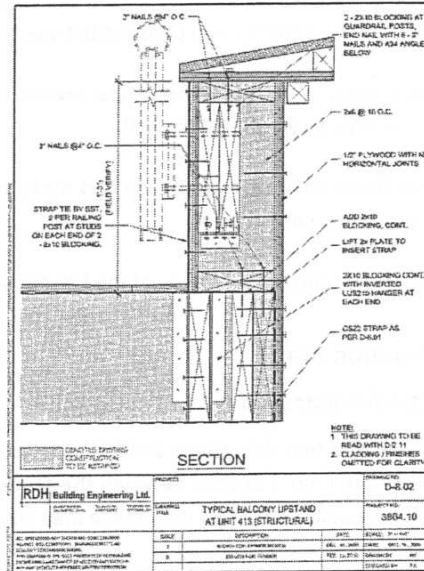
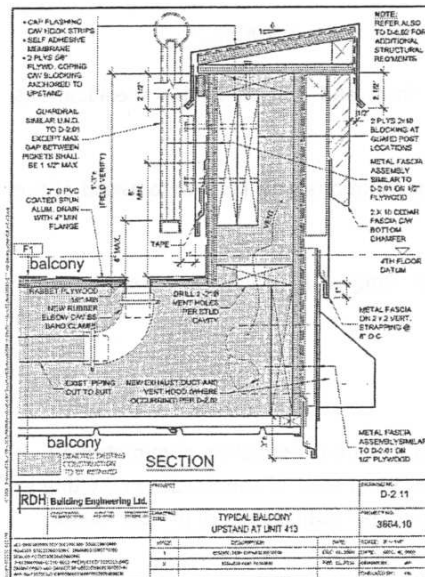
10. Assist Strata Council in presenting the design alternatives and cost estimates at a meeting with the Owners.
11. Assist the Owners in making decisions with respect to various design alternatives.
12. Review and receive approval for the proposed program from the warranty provider, if the Owners would like 3rd party warranty coverage. RDH has assisted in the development of a registered third party HPO warranty program that is available exclusively to RDH and provides 10 years of water penetration coverage (five years more than any other warranty program, and typically less costly). We have been able to obtain this warranty coverage because of our commitment to quality and a documented history of problem-free buildings.
13. Once decisions have been made with respect to the design alternatives, an updated budget and design brief will be assembled for the Strata Council's records.

The Design Phase will be billed as a fixed fee.

Construction Documents

It has been our experience that the accuracy and completeness of the construction documents bear directly on the cost and quality of the construction work. Our approach, therefore, results in the provision of a more detailed tender package than is typical in the industry. The following tasks are associated with the compilation of the technical portion of the construction documents:

1. Prepare the technical portion of the bid package so that the repair/renewal work can be tendered to qualified contractors including:
 - Drawings, including general arrangement drawings (plans and elevations) describing the layout of the building and locations of various building elements and portions of the work;
 - Detail drawings, including 3-dimensional drawings where required, describing the interfaces between different assemblies and components and installation details of components; and
 - Technical specifications describing details of the materials and components to be used along with details of applicable standards, installation methods, warranties etc.



Examples of detail drawings. Custom details are developed for each specific project to reflect the unique characteristics of the building. When required, details may be modified to describe particular information, such as structural requirements (right above).

- Attend project planning meetings with the Strata Council and Owners as required.

The Construction Documents Phase will be billed as a fixed fee.

Project Administration

The following are tasks associated with the overall management and coordination of the project during the Pre-construction Stage:

- Attend project meetings with the Strata Council and Owners during the Pre-construction Stage on a regular basis, to explain the process and receive input as required.
- Provide overall guidance to the Owners during the Pre-construction Stage with respect to the progress of the work, budgeting, schedule, and technical issues.
- Provide necessary documentation to ensure compliance with the Building Envelope Regulations as required by the Homeowner Protection Office.
- Provide necessary documentation and cooperate with the selected warranty provider.
- Coordinate the work of the consultants involved with the project.
- Pre-qualify contractors for bidding on the construction.
- Prepare front end of bid package (Bid Form, General Conditions, Supplementary Conditions, Scope of Work etc.). Note that this includes all of the non-technical portions of

the bid package and contemplates the use of a CCDC-2 Stipulated Price Contract as the basis for the construction contract between the Owners and the Contractor.

8. Coordinate, with the Owners, the review of the front end portion of the specifications documents by your legal council.
9. Coordinate bid call, review bids and make recommendations with respect to award of the construction contract.

The Project Administration Phase of the Pre-construction Stage will be billed as a fixed fee.

Construction Stage

Project Administration

It is anticipated that this phase will follow shortly after the pre-construction administration. If there is a long period of time between the tender period and start of construction resulting in ongoing administration, then this phase may start prior to the mobilization of the Contractor:

1. Assist the Owners in obtaining a Building Permit.
2. Coordinate a review of the selected Owner insurance, bonding and WCB coverage confirmation forms by the Owner's lawyer.
3. Prepare the contract between the Owners and the Contractor.
4. Attend a project start-up meeting with the Owners to explain the process and receive input as required.
5. Provide overall guidance to the Owners throughout the project with respect to the progress of the work, budgeting, schedule, and non-technical issues.
6. Prepare and update construction contract value changes throughout construction due to changes in the work.
7. Undertake contract administration work (review progress claims, issue payment certificates, change orders, etc.).
8. Issue certificates of completion pursuant to the British Columbia *Builders Lien Act*.

We estimate the construction period to be 6 months. It may be possible to complete the construction in a shorter time frame.

Our fees for this phase of the work will be invoiced on a fixed monthly fee for the duration of the construction and for approximately 1 month(s) after construction on the site is complete. It is anticipated that the Construction Stage will last approximately 6 months. However, the time required for the construction to be completed will be dependent on the contractor and the availability of sub-trades.

Field Review

The following represents the key quality assurance tasks that would be undertaken as part of our field review services:

1. Participate in pre-construction meetings with the Contractor to discuss the technical requirements of the project and help ensure the Owners' understanding of the project.
2. Meet with the Strata Council as required throughout the construction period to discuss technical issues.
3. Review shop drawings and other material submissions to ensure general conformance with the contract documents.
4. Provide supplementary details as required by site conditions to clarify existing details.
5. Prepare technical portion of change orders and site instructions.
6. Undertake regular field review of construction and issue site visit reports for each visit and maintain action lists for follow-up with trade contractor(s).
7. Undertake or commission performance testing if required to help confirm performance of new assemblies.



We regularly visit the site to review construction.

Our fees for this phase will be calculated on a time and expense basis since the extent of our work is greatly dependent on the time required for construction, the quality of the Contractor's work and on the discovery of unanticipated site conditions.

Post-Construction Stage

Project Wrap-Up

The following represents the key tasks that will be undertaken during the project wrap-up phase:

1. Undertake follow-up on deficiencies and unresolved issues with the Contractor and Owners following substantial completion of the project.
2. Address any outstanding items with the warranty provider.
3. Close off the building permit and make all necessary final submissions to the Municipal Authority.
4. Prepare a maintenance and renewals plan for the building enclosure assemblies that were included within the scope of the rehabilitation and renewals program. The maintenance

and renewals plan describes recommended maintenance activities to be followed after completion of the restoration program.

Note that while the budgeted amount for the maintenance and renewals plan is limited to assemblies included as part of the targeted wall rehabilitation and balcony & deck renewal program, we can also incorporate other elements of the building enclosure and/or other systems such as the mechanical and electrical systems. The Owners could also consider developing a reserve fund study, in order to be compliant with upcoming changes to the Strata Property Act. Please visit our website at www.rdhbe.com for more information on our Building Asset Management Services

Our fees for this work will be calculated on a time and expense basis since the extent of work is dependent on the Contractor's ability to wrap-up the project and correct deficiencies. Please see the Fees section below for the costs associated with this task, excluding applicable taxes. The majority of this cost is associated with preparation of the maintenance manual.

Homeowner Protection Act

In September 2000, the BC government legislated the Homeowner Protection Act requiring repair contractors who perform building enclosure renovations to be licensed by the Homeowner Protection Office and to provide mandatory, third-party warranty insurance in order to obtain a building permit for applicable building enclosure renovations. RDH has extensive experience working with the Homeowner Protection Office (HPO), third party warranty providers, and licensed renovators for premature building enclosure repairs. RDH is also an HPO licensed renovator. This is essential when the owners' desire to contract directly with trade contractors on a construction managed basis.

Firm Qualifications

Building enclosure repair has been the core of our business since RDH was formed in 1997. We believe we have been involved with more rehabilitation projects than any other consultant in British Columbia. We have successfully completed hundreds of projects. We have worked on both low rise and high rise projects. Some have involved full rehabilitation of building enclosures while others have been targeted projects addressing specific components of the enclosure.

The following photographs show a sampling of recently completed rehabilitations on wood frame buildings. Also shown are examples of our recently completed research documents.



Riverwest, Delta, BC



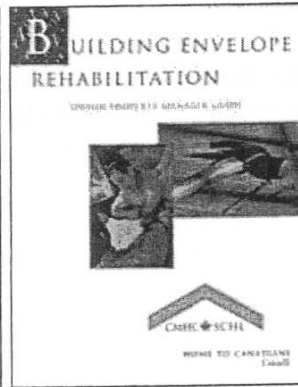
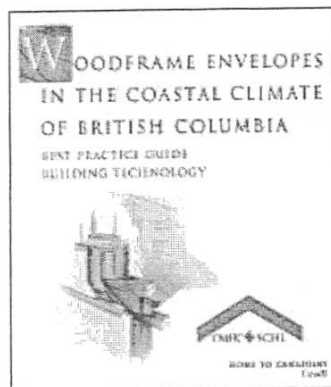
The Shorewalk, Ladner, BC



Abbey Lane, Vancouver, BC



Sail Point, Sidney, BC



RDH are the leaders in the Building Enclosure Engineering field. The above reports are examples of our research and guideline document work related to the evaluation and rehabilitation of building enclosure problems. (*Woodframe Envelopes in the Coastal Climate of British Columbia; Building Envelope Rehabilitation: Owner/Property Manager Guide; Windows Best Practice Guide Building Technology*).

Fees

Pre-construction Stage					
Design Development	(lump sum)			\$	22,000
Construction Documents	(lump sum)			\$	15,000
Project Administration	(lump sum)			\$	50,000
Construction Stage			# Months		
Project Administration	(fixed fee/mth.)	\$2,500 /month	7	\$	17,500
Field Review	(est. fee/mth.)	\$7,500 /month est.	6	\$	45,000
Post-construction Stage					
Project Wrap-Up	est. fee (time and expense)			\$	7,000
Total (exclusive of applicable taxes)				\$	156,500

Contract and Acceptance

We propose to use a standard form of contract for the bulk of our services for the project. It is based on a standard ACEC-31 form of agreement that is recognized as one that is fair for both engineers and their clients. We can provide Strata Council with a copy of the proposed form of agreement if desired. It is common to begin work on the pre-construction portion of the work based on a simple letter of instruction to proceed, or alternatively you can sign and return the attached form. The simpler terms that are included on Standard Terms of Agreement (enclosed) would apply. The formal contract can be prepared as a draft for review by Strata Council or your lawyer once the scope of the rehabilitation work is better defined at the end of the Design Development Phase.

We can begin work on this project within a month of receiving authorization to proceed and anticipate completion of the design development task within two months of project start-up.

Yours truly,

RDH Building Engineering Ltd.



LAUREEN STOKES FOR

Paul Kernan MAIBC
Senior Building Science Specialist, Principal
pkernan@rdhbe.com

encl.

Acceptance of Proposal

RDH Project #: 3941.10

Trinity Place – Balcony Renewal and Localized

December 17, 2010

Proposal for Engineering Services

Accepted by: The Owners, Strata Plan LMS2833

Authorized Signature: _____

Name: _____

Title: _____

Date: _____

Acceptance may be faxed or emailed to:

Paul Kernan MAIBC
RDH Building Engineering Ltd.
224 W. 8th Avenue
Vancouver, BC V5Y 1N5
Fax: 604-873-0933
Email: pkernan@rdhbe.com

Terms of Agreement**1. STANDARD RATES**

Description	Project Rates (\$/hr)
Senior Specialist Senior Construction Manager	200
Specialist Construction Manager	180
Senior Project Engineer Senior Project Architect Senior Project Technologist Senior Project Manager Project Designer	160
Project Engineer Project Architect Senior Technologist 2 Project Manager 2 Senior Designer	140
Engineer Architect Senior Technologist 1 Project Manager 1 Project Superintendent Designer Senior Field Representative	125
Engineer (EIT) 2 Intern Architect 2 Technologist 3 Project Coordinator Field Representative 3	115
Engineer (EIT) 1 Intern Architect 1 Technologist 2 Estimator Senior Drafter Field Representative 2	105
Technologist 1 Field Representative 1	90
Project Administrator Drafter	75
Student Clerical	50

2. GENERAL

RDH Building Engineering Ltd. (RDH) shall render the services, as specified in the attached scope of services or proposal, to the client for this project in accordance with the following terms of agreement. Together these terms and scope of services form the contract between RDH and the client for this project.

3. COMPENSATION

Charges for the services rendered will be in accordance with RDH's proposal or, if charges are not specified in a proposal for services provided by RDH, then in accordance with the hourly rate schedule in effect at the time the services are rendered plus applicable expenses. This rate schedule will be updated on a yearly basis. A different rate schedule and Terms of Agreement apply for any work undertaken in connection with a litigation support role.

The following expenses shall be increased by 5% to cover office services and handling where such expenses are incurred by RDH: transportation, subsistence, lodging, long distance telephone and facsimile, reproduction, delivery and courier, permits and approval fees, licenses, providing and maintaining site offices including telephones, facsimile machines, internet access, advertising, legal, accounting, insurance, bonding, counseling services, computer charges, special or increased insurance coverage required by the client, and all other costs reasonably incurred by RDH in the performance of the services.

The following equipment will be provided by RDH as required to perform the services and will be charged at rates established periodically and provided to the client upon request: air, water and moisture testing, suspended access, audio visual, and data logging.

Invoices will be due and payable upon receipt without retention or holdback. Interest on past due accounts will be charged at 12% per annum beginning thirty (30) days from the date of receipt of the invoice.

4. CHANGES IN SCOPE OF SERVICES

Upon any change in the scope of services, RDH shall provide written notice of the change in scope of services and the associated cost before proceeding to execute the work. If no written objection is made within five (5) days, the request for change in scope and fees is deemed granted.

5. RESOLUTION OF CLAIMS

A claim is a demand or assertion by one of the parties seeking adjustment or interpretation of the terms of the contract, payment of money or extension of time or other relief with respect to the terms of the contract. The term 'claim' also includes other disputes and matters in question between the parties arising out of or relating to the contract. Claims must be initiated by written notice. The responsibility to substantiate claims shall rest with the party making the claim.

If requested in writing by either the client or RDH, the client and RDH shall attempt to resolve any claim between them arising out of or in connection with this Agreement by entering into structured non-binding negotiations with the assistance of a mediator on a without prejudice basis. The mediator shall be appointed by agreement of the parties. Failing such agreement, the mediator shall be appointed by reference to a Judge of the Supreme Court.

If a claim cannot be settled within a period of thirty (30) calendar days by the mediator appointed, or such longer period as may be agreed to by the parties, the claim may, with the prior written concurrence of both the client and RDH, be referred to and finally resolved by way of binding arbitration by a single arbitrator. The arbitrator shall be appointed by agreement of the parties. Failing such agreement, the arbitrator shall be appointed by reference to a Judge of the Supreme Court. In the event that the parties agree to proceed by way of arbitration, the Commercial Arbitration Rules shall apply.

The award of any arbitration shall be final and binding upon the parties, and shall be enforceable by them in any Court of competent jurisdiction.

If the contract is placed in the hands of a lawyer to enforce any of the terms or conditions of this contract, including collection of amounts owed hereunder, or in the event suit or action is instituted to enforce any of the terms or conditions of this contract, the prevailing party shall be awarded, in addition to the costs and disbursements allowed by statute, all reasonable lawyer's fees, costs, disbursements and expenses related to the collection and suit or action.

6. TERMINATION

Either party may terminate this engagement without cause after giving thirty (30) days notice in writing. If either party breaches this agreement, the non-faulting party may terminate this engagement after giving seven (7) days notice in writing to remedy the breach. On termination by either party the client shall pay to RDH its charges for the services performed to the date of termination including all fees, expenses and other charges.

7. ENVIRONMENTAL

RDH's field investigation, testing and engineering recommendations will not address or evaluate pollution of soil, pollution of ground water, or other potentially hazardous and dangerous substances such as mould or asbestos. Client shall retain all liability and responsibility for hazardous or dangerous substance. Client shall defend, indemnify and hold RDH harmless from all liability or alleged liability for dangerous or hazardous substances. RDH will co-operate with the client's environmental consultant during any related assessment work.

8. PROFESSIONAL RESPONSIBILITY

In performing the services, RDH will provide and exercise the standard of care, skill and diligence required by customarily accepted professional practices and procedures normally provided in the performance of the services contemplated in this engagement at the time and location in which the services were performed.

9. LIMITATION OF LIABILITY

The total amount of all claims the client may have against RDH arising from or relating to the services provided under this agreement, including but not limited to claims for negligence, negligent misrepresentation and breach of contract, shall be strictly limited to the amount of the professional liability and/or general liability insurance maintained by and payable on behalf of RDH for any claims.

In addition to the limitation of liability described above, RDH will not be responsible for:

- (a) The failure of any contractor or other party to perform the work required by the project in accordance with the applicable contract documents;
- (b) Any decisions made by or on behalf of the client if the decisions were made without the advice of RDH or contrary to or inconsistent with RDH's advice; and
- (c) Any consequential loss, injury or damages suffered by the client, including but not limited to loss of use, earnings and business interruption.

For the purposes of the limitation provisions, the client expressly agrees that it has entered into this agreement with RDH, both on its own behalf and as agent on behalf of its partners, members, employees and principals.

The client expressly agrees that RDH's officers, directors, employees, agents and sub-consultants shall have no personal liability to the client in respect of a claim, whether in contract, tort and/or any other cause of action in law. Accordingly, the client expressly agrees that it will bring no proceedings and take no action in any court of law against any of RDH's officers, directors, employees, agents and sub-consultants in their personal capacity.

The parties agree that RDH cannot and does not warrant or represent that bids or negotiated prices will not vary from construction cost estimates. The parties further agree that nothing in their agreement shall be deemed to be a cost condition or representation that the project can be completed for the amount of the construction cost estimate, or any other amount. The client expressly waives its right to withhold fees, or to make a claim, commence an action or bring any other proceedings against RDH in connection with advice or information relating to the construction cost estimate whether in contract, tort or otherwise.

10. DOCUMENTS

All of the documents prepared by RDH, or on behalf of RDH, in connection with the project are instruments of service for the execution of the project and are solely for the exclusive use of the client. RDH retains the property and copyright in these documents, whether the project is executed or not. These documents may not be used on any other project without the prior written agreement of RDH.

As part of its services RDH may provide proposed form(s) of contract(s) for the client's considered use in engaging other contractors to perform work in connection with the project, including supplementary conditions which RDH has found to be useful based on its experience in the construction industry. However, prior to using any contract form provided by RDH the client should consult with legal counsel to review the terms of the contract to ensure that they adequately address the client's needs for the project. Similarly, while the insurance and bonding provisions contained in RDH's form contracts are representative of the requirements that RDH believes to be adequate, the client should consult with its insurance advisor or legal counsel to evaluate the adequacy of the insurance and bonding requirements for client's project. As such, RDH disclaims, and the client hereby waives, any claim or potential liability that may be asserted against RDH arising from or relating to the use of contract forms provided to the client by RDH, including but not limited to claims arising from the insurance and bonding requirements described therein. Furthermore, if RDH provides assistance to the client in procuring and/or maintaining any insurance for or in conjunction with the Project, regardless of whether or not the insurance is required under the client's contract with any contractor, RDH shall not be liable and the client hereby waives any claim or potential liability that may be asserted against RDH arising from or relating to the procurement and maintenance of such insurance.

11. FIELD REVIEW

Field review services will be provided to determine that the construction is being undertaken in general conformance with the design documents where such reviews are expressly included in the scope of services to be provided by RDH. The client expressly acknowledges that such field reviews shall comprise a sampling of the work, and that because RDH has not been engaged to supervise the construction or otherwise ensure 100% conformance with the design documents, in addition to the limitation of liability described above RDH shall not be responsible for any loss or claim arising from any defects or deficiencies in the construction that would not be readily apparent to a reasonable and prudent engineer.

12. DISCLOSURE STATEMENT REGARDING CASCADIA WINDOWS

The shareholders of the RDH Group of Companies (RDH Building Engineering Ltd., RDH Building Science Inc., and RDH Architecture Inc.) have a financial interest in a private company engaged in manufacturing and supplying building products. The company, Cascadia Windows Ltd., manufactures fibreglass framed windows and doors. Cascadia Windows is not owned by RDH. Rather, the individual shareholders of RDH also own shares of Cascadia Windows. The operations of Cascadia Windows are separate and distinct from the RDH Group of companies.

The RDH Group of Companies provide professional services to a variety of clients in relation to building design, construction, and rehabilitation projects. These services may involve providing advice and recommendations relating to window and door products, providing technical analysis of window and door products, and specifying window and door products. In addition, the RDH Group of Companies will provide services to Cascadia Windows Ltd.